



## 2016 CDBG AND CDBG-D OOR APPLICATION POLICY

### IHCDA CDBG and CDBG-D OOR Application Policy

#### Part 1: Application Process

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##### 1.1 Overview

The purpose of the Community Development Block Grant Owner-Occupied Rehabilitation and Repair Program is to provide subsidies in the form of grants to selected applicants for the rehabilitation of owner-occupied housing for low to moderate-income people. Through this program, IHCDA seeks to improve the quality of the existing housing stock in Indiana.

This program is designed to allocate CDBG and CDBG Disaster (CDBG-D) funds to be used for Owner-Occupied Repair (OOR) among selected applicants who have projects that meet IHCDA's requirements and goals for the program:

1. Demonstrate they are meeting the needs of their specific community.
2. Attempt to reach low and very low-income levels of Area Median Income (AMI).
3. Are ready to proceed with the activity upon receipt of the award.
4. Propose projects that assist individuals with disabilities.
5. Propose the use of Minority Business Enterprise and/or Women-Owned Business Enterprise and Indiana contractors, employees, and products.

##### 1.2 CDBG OOR Application Forms and CDBG OOR Policy Discrepancies

In the event of a conflict or inconsistency between the CDBG Application Forms and/or Appendices, the procedures described in the CDBG OOR Application Policy will prevail.

##### 1.3 Funding Round Timelines

Note: This is an anticipated schedule and is subject to change or extension.

##### *Fiscal Year 2016 Round:*

Application Available / Round Begins	February 5, 2016
Application Webinar	March 2016 (date and time TBD)
Application Due Date	May 13, 2016
Award Announcements	July 28, 2016

##### 1.4 Application Webinar

An application webinar will be conducted prior to the application deadline. During the webinar, IHCDA Real Estate Production Department staff will describe the requirements of the OOR program, threshold and scoring criteria, how to complete the required forms, and how to utilize the FTP site. Local Units of Government and Not-for-Profit entities intending to apply are strongly encouraged to attend the application webinar.

##### 1.5 Technical Assistance

The Applicant may, but is not required, to schedule a technical assistance meeting with their regional IHCDA Real Estate Production Analyst to discuss both the proposed project and IHCDA's application process. Technical assistance may be required at IHCDA's discretion if the applicant does not have



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experience with IHCDAs awards or if past performance was poor. Applicants are urged to contact their Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

### **1.6 Application Submission**

Applicants must submit the following items to IHCDAs Real Estate Department Coordinator:

- Via IHCDAs FTP site:
  - One completed copy of the final application forms
  - All supporting documents required in the tabs. Please submit this information as separate, labeled PDF documents, each labeled to indicate the appropriate tab. The Tab label directory is located at the end of IHCDAs CDBG and CDBG-D OOR Application Policy (this “Application Policy”). Do not send one PDF containing all of the supporting documentation.
- Via hard copy:
  - One completed copy of the final application forms with original signatures

All required application items are due no later than 5:00 p.m. Eastern Standard Time, on or before the due date. Applications received after the deadline will be returned to the applicant via certified mail. Faxed applications will not be accepted.

Instructions on how to utilize the FTP site will be explained during the application webinar. The hard copy of the final application forms should be sent to:

Indiana Housing and Community Development Authority  
ATTN: Real Estate Department Coordinator  
RE: CDBG and CDBG-D OOR Application  
30 South Meridian Street, Suite 1000  
Indianapolis, IN 46204

All applicants must retain a copy of this application package for their records. Applicants that receive funding will be bound by the information contained herein.

IHCDA will send an email confirmation to the applicant contact within one week of submission notifying the applicant of receipt by IHCDAs. Please notify the Real Estate Department Coordinator if the applicant would like to add an additional contact person for communications regarding the 2015 CDBG and CDBG-D OOR Application.

### **1.7 Application Review**

Each application must address only one development. Applications are reviewed in a seven step process:

Step One – Completeness

IHCDA reviews to determine if the applicant must provide all required documents, signatures, and attachments before the application deadline.

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Step Two – Preliminary Threshold	IHCDA reviews application and submitted documents to determine if the application meets the minimum threshold criteria for awards.
Step Three – Threshold Clarification	IHCDA provides preliminary threshold review information to the applicant. The applicant has the opportunity to provide clarification or point out documents that may have been misplaced in the application submittal. If the applicant responds, it must be by the deadline set by IHCDA.
Step Four – Final Threshold	IHCDA reviews applicant's response to preliminary threshold and determines if applicant meets threshold. If applicant does not meet threshold, the application may not be scored and may not be awarded funding.
Step Five – Preliminary Scoring	Applications that pass the completeness and threshold reviews are scored according to IHCDA's published scoring criteria in this policy.
Step Six – Scoring Clarification	IHCDA provides a preliminary score sheet to the applicant. The applicant has the opportunity to provide clarification or point out documents that may have been misplaced in the application submittal. No new scoring documentation may be submitted after the initial application has been submitted. Any response must be received by the deadline set by IHCDA.
Step Seven – Final Scoring	IHCDA reviews applicant's response to preliminary scoring and determines a final application score. Applications with more than three outstanding threshold and/or scoring clarifications at final threshold or final scoring, respectively, will be disqualified. IHCDA determines which applications will be funded based on their final scores. Some applications may receive less than their total request amount based on the total funding available.

Bonus points will be awarded to applications that require no clarifications.

Funded applications will be announced at the published IHCDA Board Meeting date in July. Confirmation letters and score sheets will be uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications that are not funded will be notified via a denial letter and final score sheets which will be uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications that are not funded will **not** be rolled over into the next funding round.

### 1.8 Minimum Score Requirement

An application must score at least 40 points to be considered for funding.

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### 1.9 IHCD A CDBG & HOME Program Manual 3<sup>rd</sup> Edition

The IHCD A CDBG & HOME Program Manual outlines the requirements for administering IHCD A's CDBG awards. A complete copy of the CDBG & HOME Program Manual is available on IHCD A's website at this location:

[http://www.in.gov/myihcda/files/CDBG\\_and\\_HOME\\_Program\\_Manual\\_3rd\\_Edition.pdf](http://www.in.gov/myihcda/files/CDBG_and_HOME_Program_Manual_3rd_Edition.pdf)

Program Manual exhibits may be found at <http://www.in.gov/myihcda/2490.htm>

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### Part 2: Eligible Applicants

#### 2.1 Eligible Applicants

Community Development Block Grant (CDBG)	Cities, Towns, and Counties that <u>are not</u> CDBG entitlement communities: (Entitlements listed below)	Cities, Towns, and Counties that <u>are</u> CDBG entitlements: (Entitlements listed Below)	CDBG-D Non-eligible counties: (Listed on page 5)	501(c)3 and 501(c)4 Not-for-Profit Organizations	Joint Venture Partnerships	For Profit Entities organized under the State of Indiana
Eligible Applicants:	✓	Not eligible.	✓	Not eligible.	Not eligible.	Not eligible.
Community Development Block Grant Disaster (CDBG-D)	Cities, Towns, and Counties that <u>are not</u> CDBG entitlement communities: (Entitlements listed below)	Cities, Towns, and Counties that <u>are</u> CDBG entitlements: (Entitlements listed Below)	CDBG-D Non-eligible counties: (Listed on page 5)	501(c)3 and 501(c)4 Not-for-Profit Organizations	Joint Venture Partnerships	For Profit Entities organized under the State of Indiana
Eligible Applicants:	✓	✓	Not eligible.	✓	Not eligible.	Not eligible.

#### CDBG OOR Funds

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of CDBG entitlement communities and whose proposed activities are consistent with the State's HUD-approved Consolidated Plan. Not-for-profit 501(c)3 or 501(c)4 organizations, public housing authorities, regional planning commissions, and/or townships are encouraged to participate in activities as sub-recipients of local units of government but must apply through a sponsoring eligible city, town, or county.

The following CDBG entitlement communities are not eligible to apply for CDBG funds:

Anderson	East Chicago	Gary	Indianapolis**	LaPorte	New Albany
Bloomington	Elkhart	Goshen	Kokomo	Michigan City	South Bend
Columbus	Evansville	Hamilton County*	Lafayette	Mishawaka	Terre Haute
	Fort Wayne	Hammond	Lake County	Muncie	West Lafayette

\*The Town of Sheridan is excluded when the housing activity is outside of Hamilton County. The Town of Arcadia is excluded.

\*\*Excluding the Marion County Cities of Beech Grove, Lawrence, Speedway, and Southport. The Town of Cumberland is excluded when the housing activity is located outside of Marion County.

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### **CDBG Disaster OOR Funds**

Eligible applicants include not-for-profit 501(c)3 or 501(c)4 organizations, cities, towns, or counties that are located in Indiana but outside of the below ineligible CDBG Disaster counties whose proposed activities are consistent with the State's HUD-approved Disaster Plan.

Cities, towns, and counties within the following counties are NOT eligible to apply for CDBG-D funds:

Blackford	Clinton	Delaware	Howard	Lagrange
Miami	Steuben	Tipton	Warren	Wells

**\*Note: Entitlement communities that are not eligible to apply for CDBG funding are eligible to apply for CDBG-D funding.**

### **2.2 Ineligible Applicants**

IHCDA reserves the right to disqualify any application from an applicant, a subrecipient, administrator, preparer, or related party with a history of disregarding policies, procedures, or staff directives associated with administering any program through IHCDA. This also applies to programs administered by any other State, Federal, or affordable housing entities, including but not limited to the Indiana Office of Community and Rural Affairs ("OCRA"), the U.S. Department of Housing and Urban Development ("HUD"), the U.S. Department of Agriculture - Rural Development ("USDA"), or the Federal Home Loan Bank ("FHLB").

Additionally, any entity currently on IHCDA's suspension or debarment list is ineligible to submit an application. IHCDA's Suspension and Debarment Policy can be found in Chapter 17 of the IHCDA CDBG & HOME Program Manual.

### **2.3 Religious and Faith-Based Organizations**

- i. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the OOR program. Neither the Federal Government nor a State or local government receiving funds under the OOR program shall discriminate against an organization on the basis of the organization's religious character or affiliation. Recipients and subrecipients of program funds shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.
- ii. Beneficiaries. In providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, program participants shall not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.
- iii. Separation of explicitly religious activities. Recipients and subrecipients of OOR program funds that engage in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, must perform such activities and offer such services outside of programs that are supported with federal financial assistance separately, in time or location, from the programs or services funded under this part, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services.

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- iv. Religious identity. A faith-based organization that is a recipient or subrecipient of OOR program funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from Federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, an OOR program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- v. Alternative provider. If a program participant or prospective program participant of the OOR program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection. Except for services provided by telephone, the Internet, or similar means, the referral must be to an alternate provider in reasonable geographic proximity to the organization making the referral. In making the referral, the organization shall comply with applicable privacy laws and regulations. Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of §92.508(a)(2)(xiii). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.
- vi. Structures. Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. When a structure is used for both eligible and explicitly religious activities, program funds may not exceed the cost of those portions of the acquisition, new construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the OOR program. Sanctuaries, chapels, or other rooms that a OOR program-funded religious congregation uses as its principal place of worship, however, are ineligible for OOR program-funded improvements. Disposition of real property after the term of the grant, or any change in the use of the property during the term of the grant, is subject to government wide regulations governing real property disposition (see 2 CFR 200.311).
- vii. Supplemental funds. If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

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### Part 3: Eligible Activities & Program Requirements

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#### 3.1 Eligible Activities

This program seeks to help homeowners make the necessary repairs to their homes that allow them to enjoy them for many years to come. The program is intended for the rehabilitation of owner-occupied housing where the homeowner lives as his or her primary residence.

- To be eligible for owner-occupied repair (OOR), the homeowner beneficiary must be low-income and occupy the property as a principal residence. A household owns a property if that household:
  - Has fee simple title to the property; or
  - Maintains a 99-year leasehold interest in the property; or
  - Owns a condominium; or
  - Owns or has a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
  - A life estate, if the person who has the life estate has the right to live in the housing for the remainder of his or her life and does not pay rent.

Ownership **does not** include life estates (unless meeting the criteria listed above) or land sale contracts/contracts for deeds.

- Eligible repairs:
  - Minor repairs which can include (but are not limited to) an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions, etc.
  - Any major household system repaired or replaced as part of the rehabilitation process must meet the stricter of the Indiana State Building Code or local building codes.
  - Funds may be used to remedy conditions that, while not posing an immediate threat to health and safety, represent an ongoing threat to the structural integrity of a building and may eventually result in an emergency situation.

Owner-occupied repairs are subject to a repair priority List (see Application Appendices) when determining scope of work.

- Rehabilitation of owner-occupied manufactured homes. Manufactured homes are eligible if they meet IHCD's Manufactured Housing Policy or if rehabilitation will bring the unit up to these standards:
  - A single dwelling unit designed and built in a factory, installed as a permanent residence, which bears a seal certifying that it was built in compliance with the Federal Manufactured Housing Construction and Safety Standards law and which also complies with the following specifications:
    - Shall have been constructed after January 1, 1981, and must exceed 950 square feet of occupied space per I.C. 36-7-4-1106 (d);
    - Is attached to a permanent foundation of masonry construction and has a permanent perimeter enclosure constructed in accordance with the One and Two Family Dwelling Code;
    - Has wheels, axles and towing chassis removed;



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- Has a pitched roof;
- Consists of 2 or more sections which, when joined, have a minimum dimension of 20' X 47.5' enclosing occupied space; and
- Is located on land held by the beneficiary in fee-simple title or 99-year leasehold and is the principal residence of the beneficiary.
- All other manufactured or mobile homes that do not meet the aforementioned criteria are ineligible to receive rehabilitation assistance funded by IHCD.

### 3.2 Ineligible Activities

Eligible housing activities **do not** include:

- Creation of secondary housing attached to a primary unit;
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- The provision of project-based tenant rental assistance;
- Rehabilitation of mobile homes, unless they meet the criteria listed above;
- Acquisition, rehabilitation, or new construction if any part of a project or its land is located within the boundaries of a 100-year floodplain. A flood determination must be provided for each parcel associated with the project; and
- Rehabilitation of multi-family or single-family rental housing or a garage.

IHCD **does not** fund:

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international projects;
- Scholarships requested by individuals;
- Institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, sexual orientation, or gender identity in policy or in practice;
- Projects in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities; and
- Medical research or medical profit-making enterprises.

### 3.3 OOR Program Requirements

The proposed OOR project must follow these minimum requirements, and all other requirements set forth in the CDBG & HOME Program Manual, to be eligible for funding. For further details on each requirement, please see IHCD's CDBG & HOME Program Manual. The link and the appropriate chapters are included.

### CDBG AND CDBG-D REQUIREMENTS

- Recipients must comply with all regulatory requirements listed in [24 CFR Part 570](#).
- The homeowner beneficiary must be income eligible. Each household must have an annual income equal to or less than 80% of the area median family income for the target area. The HUD Part 5 definition of income applies. (IHCD [CDBG & HOME Program Manual](#), Income Verification Chapter 8)



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- Income verification is valid for a period of six months. If more than six months pass between income verification and contract execution a new income verification must be completed. (IHCD [CDBG & HOME Program Manual](#), Income Verification Chapter 8)
- The homeowner beneficiary must own the property and must occupy the property as a principal residence. (IHCD [CDBG & HOME Program Manual](#), Policy Requirements Chapter 1)
  - If there is a long-term lease agreement on the property, a 99-year lease must be recorded in the county recorder's office of the county in which the property is located prior to award document preparation.
  - Ownership does not include life estates and land sale contracts/contracts for deeds.
- All IHCD-assisted units must be inspected twice during the award period. The first inspection, by a licensed, or IHCD approved, third party building inspector, must occur within four weeks of completion of the documented scope of work and prior to the IHCD Inspector's final physical inspection. The final inspection conducted by an IHCD inspector must be performed after the independent inspection, upon completion of construction on each unit and correction of any findings from the first inspection. (IHCD [CDBG & HOME Program Manual](#), Construction Standards & Physical Inspections Chapter 14)
- Recipient must hold a minimum of two (2) public hearings, each at a different stage of the process, for the purpose of obtaining citizens' input and responding to proposals and questions. (IHCD [CDBG & HOME Program Manual](#), Policy Requirements Chapter 1)
- The match/leverage requirement for both the CDBG and CDBG-D programs is 10% of the total amount of CDBG or CDBG-D funds drawn minus administration costs. (IHCD [CDBG & HOME Program Manual](#), Policy Requirements Chapter 1)
- All applicants are required to complete the environmental review record (ERR) and submit it, in hardcopy, with their application as an application threshold item. The resulting IHCD Release of Funds is required before fully executed award documents are released and before proceeding with the project. (IHCD [CDBG & HOME Program Manual](#), Environmental Review Chapter 11 Exhibits).
- Award recipients will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award. Additionally, owner-occupied rehabilitation program regulations require that adequate property insurance be maintained throughout the affordability period. (IHCD [CDBG & HOME Program Manual](#), Procurement Procedures Chapter 10)
- The recipient must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the CDBG award. (IHCD [CDBG & HOME Program Manual](#), Procurement Procedures Chapter 10)
- Each recipient of a CDBG award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed. (IHCD [CDBG & HOME Program Manual](#), Lead Based Paint Chapter 2)
- Each recipient of a CDBG award is subject to the requirements of the Uniform Relocation Act. See the IHCD's [CDBG & HOME Program Manual](#) Chapter 4 on URA for guidance on the regulatory requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, the Federal regulations at [49 CFR Part 24](#), and the



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requirements of [Section 104\(d\) of Title I of the Housing and Community Development Act of 1974, as amended.](#)

- Every recipient must demonstrate that it will complete an action to affirmatively further fair housing during the time frame of an award. (IHCD CDBG & HOME Program Manual, Fair Housing and Civil Rights Chapter 5.)
- Any recipient receiving an aggregate amount of \$200,000 or more from one (1) or more of the HUD CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects. (IHCD [CDBG & HOME Program Manual](#), Section 3 Chapter 7)
- Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English (“limited English proficient persons” or “LEP”) may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds by LEP persons. Any of the following actions could constitute “reasonable steps”, depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.
- Before an applicant can apply for a new HOME, CDBG or CDBG Disaster award, any other HOME, CDBG or CDBG Disaster awards that the applicant has received from IHCD must be drawn down by a minimum of 25% of the award’s total funding amount.

### **CDBG-D SPECIFIC REQUIREMENTS**

- Each homeowner beneficiary assisted with CDBG-D funds must execute a Duplication of Benefits Affidavit (“Affidavit”). A copy of this affidavit must be attached to the applicant’s award agreement with IHCD as Appendix A. This Affidavit must be maintained in the applicant’s client files.

### **3.4 Affordability Requirements**

#### **HOMEOWNER OOR AGREEMENT**

The recipient must ensure that each property owner that receives assistance executes an homeowner OOR agreement that is created by IHCD. The homeowner OOR agreement must be executed prior to the lien and restrictive covenant agreement and will explain to the homeowner the requirements associated with the assistance. The homeowner OOR agreement does not take the place of the lien and restrictive covenant agreement and does not need to be recorded.

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The recipient must ensure that a lien and restrictive covenant is executed and recorded on every property that receives assistance. The lien and restrictive covenant agreement and any amendments must be created by IHCDCA.

**AFFORDABILITY PERIOD**

The affordability period for a property begins on the date the completion report for that property is submitted and approved. Therefore, it is in the homeowner's best interest for the recipient to submit the completion reports to IHCDCA as soon as possible.

Completion reports must be submitted immediately upon completion of the contracted rehabilitation work. The award will be considered completed and closed when all completion and close out documents have been submitted and approved, third party inspection (within four weeks of construction) and inspection by IHCDCA is completed for each address, final compliance monitoring is completed and when any findings or concerns are resolved, all of the funds are drawn and/or de-obligated.

During the affordability period the home must remain the owner's principal place of residency. (IHCDCA CDBG & HOME Program Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15)

The following Affordability Periods apply to both CDBG & CDBG-D activities:

Amount of CDBG or CDBG-D subsidy per unit:	Affordability Period
Under \$5,000	1 year
\$5,000.01 - \$10,000	2 years
Over \$10,000.	3 years

**RECAPTURE OF ASSISTANCE**

Recapture Event, if any of the following events occurs, IHCDCA will recapture the amount of amount of eligible CDBG-D funding associated with the rehabilitation including, ER, Lead and Program Delivery.

- A. the homeowner transfers or conveys the property by deed, land contract, or otherwise;
- B. foreclosure proceedings are commenced against the property;
- C. the property is transferred by an instrument in lieu of foreclosure; or
- D. the title to the property is transferred from the homeowner through any other involuntary means.

However, if the property is transferred or conveyed to a new owner, who meets the income requirements [income documentation must be approved by IHCDCA], agrees to execute a lien and restrictive covenant prepared by IHCDCA and use the property as his or her principle residence for the remainder of the affordability period, no recapture of funds are required.



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If the homeowner passes away during the affordability period, the lien still must be paid off like any other mortgage or lien, however if the property is sold to another low income family who is willing to maintain a lien on the property for the remainder of the affordability period and use the property as his or her principle residence, no recapture of funds is required. Once the homeowner dies the lien will not be forgiven past that date.

### **AMOUNT OF RECAPTURE**

The amount to be recaptured shall be reduced on a pro rata basis, by dividing the amount of time the homeowner(s) has used the housing for a principal residence during the affordability period by the total amount of time in the affordability period. If there are not any proceeds, there is no amount to recapture. The net proceeds are the total sales price minus all loan and/or lien repayments. The forgiveness ratio is the ratio that calculates the amount of the subsidy that is forgiven. This ratio shall be calculated at the time of a Recapture Event, by dividing the number of full months that owner occupies the property as its principal residence by the total of number of months in the affordability period. The Recipient is ultimately responsible for repaying IHCD funds utilized for any housing rehabilitated, or repaired that does not remain affordable for the entire affordability period.

### **NON-COMPLIANCE.**

Non-compliance occurs during the affordability period when any of the following occur: 1) the homeowner no longer occupies the property as his or her principal residence (i.e., the property is rented or vacant), or 2) the property was sold during the affordability period and the recapture provisions were not enforced and/or neither IHCD nor the recipient received notice. In the event of noncompliance, the owner must repay the entire amount of the IHCD funds that were invested into the property. Net Proceeds ("as defined above") and the forgiveness are not applicable when there is a non-compliance.

**THEREFORE, IT IS IMPERATIVE THAT THE OWNER DOES NOT ABANDON OR LEASE THE PROPERTY DURING THE AFFORDABILITY PERIOD.** The recipient is ultimately responsible for repaying IHCD any CDBG or CDBG-D funds invested into any unit that does not meet the affordability requirements throughout the Affordability Period. The Affordability Period is based upon the total amount of CDBG or CDBG-D funds invested into the unit as shown in the chart above. (IHCD CDBG & HOME Program Manual, Lien and Restrictive Covenants & Affordability Requirements Chapter 15).



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### Part 4: Subsidy Limitations & Eligible Activity Costs

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#### 4.1 Subsidy & Budget Limitations

The maximum request amount per application is \$350,000.

CDBG and CDBG-D funds may not exceed \$25,000 per unit for the rehab budget line item.

Combined CDBG and CDBG-D funds budgeted for program delivery, award administration, and environmental review cannot exceed twenty percent (20%) of the OOR award.

#### 4.2 Eligible Activity Costs

The bolded items listed below are included in the application budget. The requirements set forth in Sections 4.3 – 4.9 apply to both CDBG and CDBG-D funding. If you have a question about which line item an expense goes under, contact your IHCD Real Estate Production Analyst.

**RETAINAGE POLICY** - IHCD will hold the final \$5,000 of an award until all match documentation, closeout documentation, and completion reports are received and approved. Closeout documentation will not be approved until the final monitoring and inspection is completed and all associated findings and/or concerns are resolved.

**REHABILITATION** – Eligible costs include:

- Hard costs associated with rehabilitation activities for owner-occupied repairs. Examples of eligible repairs are an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions, etc.
- Lead-based paint interim controls and abatement costs.
- Mold remediation.
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety.
- Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served.

**PROGRAM DELIVERY** - Program delivery costs are those costs that can be directly tracked by address. They include soft costs and client-related costs that are reasonable and necessary for the implementation and completion of the proposed activity. This line item along with administration and environmental review cannot exceed 20% of the CDBG or CDBG-D request. Recipients are allowed to draw down this line item as costs are incurred.

Eligible costs include:

- |   |                               |
|---|-------------------------------|
| • Engineering/Architectural Plans       | • Inspections                 |
| • Credit reports                        | • Cost estimates              |
| • Client in-take / Income verification  | • Building permits            |
| • Plans, specifications, work write-ups | • Recording fees              |
| • Title Searches                        | • Demolition permits          |
| • Impact fees                           | • Travel to and from the site |

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- Legal and accounting fees

**RELOCATION** - This includes relocation payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, not-for-profit organizations, and farm operations where assistance is required and appropriate. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket expenses for temporary relocation purposes. For additional information on relocation and displacement, please refer to the information provided in the IHCD's [CDBG & HOME Program Manual](#).

**LEAD HAZARD TESTING** – Costs associated with lead hazard testing includes Risk Assessment, Clearance Test, etc. The limits for this line item are \$1,000 per unit.

**ADMINISTRATION** - The administration line item includes those costs directly related to administering the IHCD award and complying with the regulations associated with these funds. This line item along with program delivery and environmental review cannot exceed twenty percent 20% of the CDBG or CDBG-D request and generally is between \$5,000 and \$10,000. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCD are not eligible for reimbursement through a CDBG award.

Eligible costs include:

- Postage
- Office materials and supplies
- Photocopying
- Office rent and utilities
- Travel related to the housing activity
- Communication costs
- Lead based paint training
- Staff time or professional services related to reporting, compliance, monitoring, or financial management
- Training related to the housing activity

**ENVIRONMENTAL REVIEW** – This line item includes expenses associated with the Environmental Review Release of Funds process. This does not refer to a Phase I Environmental Assessment. Those expenses should be included in the Program Delivery line item. This line item along with program delivery and administration cannot exceed 20% of the CDBG or CDBG-D request. Eligible costs for this line item are generally between \$2,000 and \$5,000 and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 of the IHCD CDBG & HOME Program Manual.

### 4.3 Ineligible Activity Costs

- Commercial development costs – both CDBG and CDBG-D awards cannot be used to underwrite any portion of commercial development costs.
- Replacement Reserves – Funds used to initially capitalize a reserve fund used for major capital repairs to a permanent supportive or rental housing facility. These funds cannot be applied to a CDBG or CDBG-D award. These funds can be capitalized either through operating cash flow or through the development budget on the Uses of Funds exhibit.
- Operating Reserves – Funds used to initially capitalize a reserve fund that covers operating expenses when there are rental income shortfalls over the life of a permanent supportive or rental

## 2016 CDBG AND CDBG-D OOR APPLICATION POLICY

development. This line item must be included on the Uses of Funds exhibit. These funds cannot be applied to a CDBG or CDBG-D award.

- Developer's Fee – CDBG and CDBG-D funds cannot be used to pay developer's fees.
- Costs associated with preparing an application for funding through IHCD.
- Purchase or installation of luxury items, such as swimming pools or hot tubs.
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers.
- Purchase or installation of stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners.
- Providing tenant based rental assistance.
- Mortgage default/delinquency correction or avoidance.
- Loan guarantees.
- Annual contributions for operation of public housing.
- Costs associated with any financial audit of the recipient.



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### Part 5: Completeness & Threshold Requirements

Each proposed project must satisfy the Federal requirements of the CDBG and CDBG-D OOR program and any additional requirements established by IHCDA. To be considered for funding, an applicant must meet all of the completeness and threshold requirements listed below.

#### 5.1 Completeness Requirements

- 1) Timeliness – All documentation must be turned in by the application due date.
  - i. On or before the application deadline, the applicant must provide all documentation as instructed in this Application Policy as well as required documentation listed in the CDBG and CDBG-D OOR Application Forms.
  - ii. If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.

Any forms that are late will be denied review and will be sent back to the applicant.

- 2) Responsiveness – All questions must be answered and all supporting documentation must be provided.
  - i. The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)
  - ii. Required pages with original signatures.

#### 5.2 Threshold Requirements

Threshold Checklist	
<b>All documentation must be issued/ dated within six months of the Application deadline. A threshold Checklist can be found in the CDBG and CDBG-D OOR Application Forms.</b>	
Threshold Item:	Tabs:
<b>Completeness</b>	
Turn in the CDBG and CDBG- D OOR Application and supporting documents via the FTP Site and send one complete original copy of the signed application forms to IHCDA by the application deadline	
<b>Application Cover Page Tab in Application Forms:</b>	
<u>SAM Registration</u> Submit a copy of the applicant's System of Award Management (SAM) registration. <a href="https://www.sam.gov/portal/SAM/#1">https://www.sam.gov/portal/SAM/#1</a>	Tab A, Sam Registration
<u>Procurement</u> If an organization, different than the applicant, will be administering the proposed award for the life of the affordability period, please provide documentation that proves that the grant administrator has been properly procured using the Competitive Negotiation (RFP) Procedure. <ul style="list-style-type: none"> <li>• Submit a copy of the Request for Proposals (RFP) sent out.</li> <li>• Submit the two published bid advertisements that were put in a general circulation newspaper at least 14 days before the Bids were due and at least 7</li> </ul>	Tab B, Procurement

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<p>days apart.</p> <ul style="list-style-type: none"> <li>Signed contract between applicant and administrator (if applicable)</li> </ul>	
<b>Application Summary Tab in Application Forms:</b>	
<p><u>Public Hearing</u></p> <p>Two public hearings are required for CDBG funding. One public hearing MUST occur prior to application submittal.</p> <p>Please provide the following:</p> <ul style="list-style-type: none"> <li><i>Original tear sheet or original publisher's affidavit of legal notice that includes the date of the public hearing and the date of notice publication. Under Indiana Code (I.C. 5-3-1-2 (B)) there must be a minimum of one legal notice at least 10 calendar days prior to the public hearing.</i></li> <li><i>Describe methods used to solicit participation of low and moderate-income persons.</i></li> <li><i>A copy of the sign-in sheet.</i></li> <li><i>A copy of the minutes of the public hearing, which must include the date and time of the meeting, the name and title of the person running the meeting anyone who presented at the meeting, and all content posed to the public.</i></li> <li><i>Describe any comments/complaints received and responses to the comments/complaints.</i></li> </ul>	Tab C, Public Hearing
<p><u>HUD or Rural Development Funding</u></p> <p>If the proposed project has received funding directly from HUD or Rural Development, the applicant must send a notification letter to the appropriate HUD or Rural Development office notifying them that an application is being submitted to IHCDA for federal funding.</p> <p>Please provide a copy of the letter and proof of delivery (email read receipt, mail delivery receipt, etc.)</p>	Tab D, HUD & RD
<p><u>Highest Elected Official Notification</u></p> <p>If the applicant is a not-for-profit organization, they must notify the highest locally elected official that they are submitting an application to IHCDA for federal funding.</p> <p>Please provide a copy of the letter and proof of delivery (email read receipt, mail delivery receipt, etc.)</p>	Tab E, LUG
<p><u>Proof of Good Standing</u></p> <p>If the applicant is a not for profit organization they must provide proof that the organization is in good standing with the Secretary of State.</p> <p>Please provide a copy of the Certificate of Existence from the Indiana Secretary of State.</p>	Tab F, Proof of Good Standing
<p>Duplication of Benefits</p> <ul style="list-style-type: none"> <li>If the applicant is awarded CDBG-D funding (disaster funding) each homeowner will be required to disclose and sign the "Duplication of Benefits Affidavit" found in the application forms.</li> <li>Please answer question in application showing that applicant understands this</li> </ul>	Application Forms

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requirement If they receive CDBG-D funding.	
<u>Environmental Review Record</u> Environmental Review Forms (Exhibits A, B,E, F, the findings page, and the signature page) must be submitted with the application. Once awarded, exhibit G will then be submitted for each address. Please keep in mind that once awarded, all historic reviews (a part of the ERR) must be sent to the State Historic and Preservation Office for approval, which adds 30 days to the approval process for Release of Funds. For more detailed instructions, and the ERR forms, please refer to the exhibits for Chapter 11 of the IHCDA Program Manual, here: <a href="http://www.in.gov/myihcda/2490.htm">http://www.in.gov/myihcda/2490.htm</a>	Tab G, Environmental Review
<u>Floodplain Determination</u> Acquisition, rehabilitation, refinancing, or new construction of any part of a project, or its land, located within the boundaries of a 100 year floodplain is not eligible. A floodplain determination must be submitted for each parcel associated with the project.  Please submit floodplain determination(s).	Tab G, Environmental Review
<u>Furthering Fair Housing</u> All CDBG-D award recipients must take action to affirmatively further fair housing in the jurisdiction it is serving.  Please select which furthering fair housing activity you will be conducting on “App summary” tab of application forms.	Application Forms
<u>Area Median Income Level served</u> Commit to assisting households at or below 80% of the Area Median Income for the county. Answer question the coordinating question in the “App Summary” Tab in the application forms.	Application Forms
<u>Grievance procedures</u> Please provide a brief explanation as to how beneficiary conflicts will be resolved on the “App Summary” tab of the application forms. The abbreviated version of the grievance procedures must address (1) how grievances will be submitted, (2) who will review them, (3) timeframe for the review, and (4) the appeal process.	Application Forms
<u>Third Party Inspection</u> A third party inspection must be completed within four weeks of construction completion on each address. If construction is completed at different times, different third party inspections must be completed.  Please provide written confirmation that the applicant is aware that third party inspections of work completed must happen within four weeks of construction completion for each address.	Tab H, Inspection
<b>Narrative Tab in the Application Forms:</b>	
<u>Project Narrative</u> Please provide detailed description to the questions asked on the “Narrative” tab on the application forms about the owner-occupied repair program that the applicant is	Application Forms

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proposing.	
<b>Sources and Uses Tab in the Application forms:</b>	
Please submit all signed letters of commitment with funding terms and amounts.	Tab I, Financing
Please submit all supporting documentation for in-kind donations to demonstrate value.	Tab I, Financing
<b>Budget Tab in the Application Forms:</b>	
Please complete budget tab in the “budget” tab of the application forms.	Application Forms
<b>Match &amp; Leverage Tab in the Application Forms:</b>	
The match requirement for the CDBG and CDBG-D OOR program is 10% of the total amount of CDBG or CDBG-D OOR funds requested minus administration and environmental review costs. Match must be committed prior to submitting an application for CDBG and CDBG-D OOR funding to IHCDA and to pass threshold review. Submit the relevant sections of the Leverage Spreadsheet provided as an excel workbook for OOR applications.	Tab I, Financing
Please submit Leverage Letters of Commitment.	Tab I, Financing
Please submit Match Letters of Commitment.	Tab I, Financing
Supporting documentation for all sources of leverage and match utilized must be included with this application.	Tab I, Financing

## IHCDA 2016 CDBG AND CDBG-D OOR APPLICATION POLICY

### Part 6 : Scoring

If an application meets all applicable requirements, it will be evaluated and scored based on:

Scoring Category	Points Possible
Project Characteristics	12
Readiness	8
Capacity	21
Financing	12
Unique Features	5
Completeness Bonus	5
<b>Total Possible Points</b>	<b>63</b>

When there is a scoring criteria based on the county being served and there are multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest whole number. An application must score at least 40 points to be considered for funding.

#### 6.1 Project Characteristics

**Category Maximum Points Possible: 12**

There are 12 total possible points for this scoring category, which describes the proposed OOR project. The points can be achieved through the following sub-categories: Area Median Income (AMI) served, Serving Disabled individuals, and Underserved Communities.

1) Area Median Income (AMI) Served:

*Maximum Number of Points: 6*

If the development commits to serving beneficiaries in IHCD-assisted units with maximum incomes lower than required by the CDBG and CDBG-D program, points will be awarded in accordance with the following chart. Percentages are of the Area Median Income (AMI) for the county in which the development is to be located. There is a maximum of six points in this category, and points cannot be combined by serving different AMI levels. In order to get points for a percentage of population served, the project needs to commit to the percentages listed in the chart below at the designated AMI levels. Awarded recipients will be held to the unit commitment in their award agreement. Changes to the AMI levels will require prior IHCD approval.

Constituency Served	Points
20% of Population served at or below 30% AMI; <b>OR</b>	6
30% of Population served at or below 40% AMI	4

2) Serving Disabled Individuals

*Maximum Number of Points: 3*

Points will be awarded to applicants that target populations with special housing needs under IHCD's priority in accordance with the following guidelines and chart:

Target Population	Points
At least 20% of assisted households will have at least one individual	3

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living in the home with a disability using the Fair Housing definition of disabled (see glossary). Applicants electing this targeting option must enter into a referral agreement with a qualified organization that provides services for the target population. See part 4.1(F) of the [Federal Programs Ongoing Rental Compliance Manual](#) for more information on referral agreements.

*Submit Referral Agreement Form C in **Tab J: Serving disabled individuals**. A boilerplate Referral Agreement can be found in the Appendices as part of this application package.*

### 3) Underserved Communities

*Maximum Number of Points: 3*

Points will be awarded to applicants whose proposed service area is a town, city, or county that has not received an Owner Occupied-Repair award within the last five years.

For Clarification:

- *If a county has received an OOR award within the last five years, but a more local unit of government within that county would like to apply that has not received an award within the last five years(i.e. a city), that city **is** eligible for points in this category.*
- *If a city within a county has received an OOR award within the last five years, but the county level of government would like to apply for an award and has not received an OOR award within the last five years, the county **is** eligible for points in this category.*

## 6.2 Readiness

**Category Maximum Points Possible: 8**

This category describes the applicant's ability to begin and timely execute an awarded project.

### 1) Client Intake

*Maximum Number of Points: 6*

Points will be awarded to applicants that have already begun the client intake process, according to the chart below. Client intake means that potential clients have been identified, are interested in participating in the OOR program, and are income verified.

% of Assisted Units	Points
25 - 50% of the units	2
51 - 75% of the units	4
76 - 100% of the units	6

*In order to receive points in this category, the applicant must submit:*

- *Form B: Client Intake List in **Tab K: Client Intake**.*

### 2) Contractor Solicitation

*Maximum Number of Points: 2*

Points will be awarded to applicants who invite material participation in the proposed OOR development by Indiana contractors. To qualify for these points, a minimum of five letters inviting contractors to participate in the bidding of the project must be sent, with at least 20% of

## IHCDA 2016 CDBG AND CDBG-D OOR APPLICATION POLICY

these letters going to state certified minority business enterprises (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE), Veteran- Owned Small Business (VOSB), and/or Service Disable Veteran Owned Small Businesses (SDVOSB).

*In order to receive points, the applicant must submit in **Tab L: Contractor Solicitation**:*

- *A copy of the letter inviting the various contractors to participate in the bidding of the project;*
- *Evidence of received receipt of invitation by five contractors*
- *A copy of each of the 20% of applicable and current state certifications or a print out from the State's certification list clearly indicating the entities and when the certification list was printed.*

Minority Business Enterprise and Women Business Enterprise, including DMBE (Disadvantaged Minority Business Enterprise), and (Disadvantaged Woman Business Enterprise) and DMWBE (Disadvantaged Minority Woman Business Enterprise), means as an individual, partnership, corporation, or joint venture of any kind that is owned and controlled by one or more persons who are: (a) United States Citizens and (b) Members of a racial minority group or female in gender as evidenced by certification from the Indiana Department of Administration Minority & Women's Business Enterprise Division or the Indiana Minority Supplier Development Council.

DBEs are for-profit small business owned or controlled by socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. The Indiana Department of Transportation (INDOT) is the sole certifying agency for the Indiana DBE Program.

The Center for Veteran Enterprise maintains the Department of Veterans Affairs (VA) database of service-disabled veteran owned small businesses (SDVOSB) and veteran-owned small businesses (VOSB) called the Vendor Information Pages (VIP). The VIP database is accessed via [www.VetBiz.gov](http://www.VetBiz.gov). CVE performs the verification process for small businesses that self-represent themselves as veteran owned and controlled called the VA VOSB Verification Program.

Eligible Certification Summary Table		
Certification	Certifying Agency	Website
MBE	Indiana Department of Administration	<a href="http://www.in.gov/idoa/2352.htm">http://www.in.gov/idoa/2352.htm</a>
	Indiana Minority Supplier Development Council	<a href="http://imsdc.org">http://imsdc.org</a>
WBE	Indiana Department of Administration	<a href="http://www.in.gov/idoa/2352.htm">http://www.in.gov/idoa/2352.htm</a>
DBE	Indiana Department of Transportation	<a href="http://www.in.gov/indot/2576.htm">http://www.in.gov/indot/2576.htm</a>
VOSB	U.S. Department of Veterans Affairs	<a href="http://www.va.gov/osdbu/">http://www.va.gov/osdbu/</a>
SDVOSB	U.S. Department of Veterans Affairs	<a href="http://www.va.gov/osdbu/">http://www.va.gov/osdbu/</a>

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### 6.3 Capacity

### Category Maximum Points Possible: 26

This category evaluates the entity who is administering the award for the life of the affordability period's ability to successfully carry out the proposed OOR project based on certifications, experience, and overall award performance on previous awards.

#### 1) Certifications

*Maximum Number of Points: 6*

Points will be awarded to team members from the administering entity who have received the certifications listed below.

- If you do not see a certification you have received on the list that you believe would be relevant, please consult with your Real Estate Production Analyst.
- Required IHCDA Compliance Trainings, IHCDA application/policy webinars, IHCDA application/policy trainings and/or IHCDA feedback sessions do not count for points in this category.

Attach documentation of certification completions, or confirmation of attendance in **Tab M: Certifications**.

Certifications:	Sponsoring Organization
Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)
Home Sweet Home: Modifications for Aging in Place	University of Indianapolis/Indiana Housing and Community Development Authority
Current CDBG Grant Administration Certification	Office of Community and Rural Affairs, State of Indiana
HOME & CDBG Certification Training	Indiana Housing and Community Development Authority (IHCDA)

#### 2) Experience

*Maximum Number of Points: 3*

Three points will be awarded to administering entities with no previous IHCDA award experience, that can demonstrate experience in construction management, in rehabilitation of built structures, and/or prior CDBG experience through a different funding agency. The definition for administering entity can be found in the glossary section of this application policy.

In order to receive points in this category the administering entity must submit the following documentation in **Tab N: Experience**:

- Please provide a written narrative explaining previous relevant experience.
- Please provide third party reference of experience in above mentioned fields.



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- 3) Administering Entity's overall IHCDA Award Performance      *Maximum Number of Points: 10*  
 Administering entities with a previous IHCDA award monitored within the past five years may be eligible for points based on overall performance. Only the most recently monitored award is eligible for points. An award may be eligible, whether it is closed or open, as long as an official IHCDA monitoring has occurred. Please list the most recently monitored award number in the application forms.

Description of Overall Award Performance	Points
Most recently monitored IHCDA OOR award had no findings and no concerns.	10
Most recently monitored IHCDA OOR award had no findings, but concerns were noted.	8
Most recently monitored IHCDA OOR award had only one finding. <b>OR</b> No IHCDA OOR experience, but the most recently monitored IHCDA award (different activity) had no findings and no concerns.	6
No IHCDA OOR experience; but most recently monitored IHCDA award (different activity) had no findings, but concerns were noted.	4
No IHCDA OOR experience; but most recently monitored IHCDA award (different activity) had only one finding.	2
Does not meet any category above. Examples: <ul style="list-style-type: none"> <li>• More than one finding on most recently monitored award.</li> <li>• The organization administering the award has no experience with IHCDA in the past five years.</li> </ul>	0

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### 4) Timely Expenditure of Funds

*Maximum Number of Points: 5*

Points will be awarded to an administering entity that has expended their most recent IHCD HOME or CDBG or CDBG-D award funds by the award expiration date without requesting and award extension. The award must be from within the past five (5) years. List the award number in the application form.

Award Length	Points
Most recent IHCD HOME or IHCD CDBG or CDBG-D award completed by the award expiration date.	5 points

## 6.4 Financing

**Category Maximum Points Possible: 12**

### 1) Public Participation

*Maximum Number of Points: 6*

Points will be awarded to applicants whose proposed project has received a firm commitment of other public funds. A “firm commitment” means that the funding does not require any further approvals. “Public funds” include federal, state, or local government funds. This can include funds awarded from other federal or state agencies, the Federal Home Loan Bank, or waivers resulting in quantifiable cost savings that are not required by federal or state law.

- Banked and/or shared match is excluded from this category.

Points will be awarded based on the Amount of Public Participation Funding/Total Project Costs:

% of Public Participation Funding	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	4
4.00% to 4.99%	5
Greater than 5.00%	6

In order to qualify for points in this category the applicant must submit in **Tab I: Financing** a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

### 2) Non-Public Participation

*Maximum Number of Points: 6*

Points will be awarded to applicants whose proposed project has received a firm commitment to leverage other non-public funding sources. A “firm commitment” means that the funding does not require any further approvals. “Other funding sources” include (but are not limited to) private funding, funds from a local community foundation, donations, etc.

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- Banked and/or shared match is excluded from this category.

Points will be awarded based on the amount of Non-Public Participation Funding/Total Project Costs:

% of Sources	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	4
4.00% to 4.99%	5
Greater than 5.00%	6

In order to qualify for points in this category the applicant must submit in **Tab I: Financing** a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

### Unique Features & Bonus

**Category Maximum Points Possible: 10**

#### 1). Unique Program Features

*Maximum Number of Points: 5*

Points will be awarded to applicants that offer unique program features above and beyond what is required by this application policy. Unique features should be a creative addition to the proposed program and can include things like offering an array of relevant services throughout the life of the affordability period, a thorough outreach campaign to target individuals who might not otherwise be aware of the OOR program, funding for beneficiaries above and beyond the owner occupied repair dollars put into their homes, or unique partnerships that will help the homeowner throughout the affordability period and beyond.

Points are awarded relative to other projects being scored during each application cycle and are awarded in IHCDA's sole and absolute discretion. The following chart sets forth the anticipated percentage of applications that will receive points using a maximum of 5 points.

% of Applications	5%	8%	12%	16%	18%	2.5%	12%	8%	5%
Points	5	4.5	4	3.5	3	2.5	2	1.5	1

In order to receive points in this category, the applicant must submit in **Tab O: Unique Features** a narrative summary of the proposed unique features. Features receiving points in other sections of this application will not be considered for Unique Feature points.

#### 2). Bonus

*Maximum Number of Points: 5*

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The applicant will receive 5 bonus points for answering all questions and turning in all required threshold and scoring documentation. Threshold documentation includes all scoring support documentation.

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<b>Owner Occupied Repair Program</b>	
<b>TAB Directory</b>	
<b>Tab A: SAM Registration</b>	
<b>Tab B: Procurement</b>	
<b>Tab C: Public Hearing</b>	
<b>Tab D: HUD &amp; RD</b>	
<b>Tab E: LUG</b>	
<b>Tab F: Proof of Good Standing</b>	
<b>Tab G: Environmental Review</b>	
<b>Tab H: Inspection</b>	
<b>Tab I: Financing</b>	
<b>Tab J: Serving Disabled Individuals</b>	
<b>Tab K: Client Intake (Form B)</b>	
<b>Tab L: Contractor Solicitation</b>	
<b>Tab M: Certifications</b>	
<b>Tab N: Experience</b>	
<b>Tab O: Unique Features</b>	

*\*\*When uploading supporting documentation to the FTP site, please name tabs as seen above and place correct documentation (as described throughout the Application Policy) in each tab.*

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### Glossary of Terms

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Below are definitions for commonly used terminology found throughout the CDBG and CDBG-D OOR Application policy and forms and applicable to the OOR program.

*Administrator:* A procured entity that will assist carrying out the OOR program.

*Administering Entity:* This is the organization that will be carrying out the requirements of the award through the life of the affordability period. Since this entity will be doing the work required by the award, they are eligible for certain point categories. The applicant can administer their own award, however it is also possible to procure a grant administrator or to have a subrecipient.

*Area Agency on Aging:* Area Agencies on Aging (AAAs) deliver services to older adults and people with disabilities of any age and their caregivers. They provide Information about resources and service providers, assess needs for service, make referrals to case managers, link to services, monitor consumer satisfaction and adjust services to meet changing needs. Learn more on their association website at [www.iaaa.org](http://www.iaaa.org)

*Beneficiary:* The household or unit that received homeowner repair work as a result of the OOR grant.

*CDBG:* The Community Development Block Grant (CDBG) program is a federally funded program that provides states and communities with resources to address a wide range of unique community development needs. The CDBG program provides annual grants on a formula basis to 1209 general units of local government and States. The Indiana Housing and Community Development Authority (IHCDA) is a State Administered CDBG program. The IHCDA allocates awards in the form of grants to Local Units of Government that carry out CDBG OOR projects.

*Children:* Children are defined as those persons ages 18 years of age or younger. The child must reside in the home that will benefit from the OOR program.

*Disabled:* The Fair Housing Act defines disability as a person who has/is:

- A physical or mental impairment which substantially limits one or more of such person's major life activities; or
- A record of having such an impairment; or
- Is regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act).

*Elderly:* A person 55 years of age or older. This target population category also includes families with a person living in their home that is 55 years of age or older and modifications to the home are needed so this person may age in place in the home benefitting from the OOR program with the family.



## IHCDA 2016 CDBG AND CDBG-D OOR APPLICATION POLICY

*Entitlement Community:* The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

*IHCDA:* Indiana Housing and Community Development Authority

*Income Limits:* Maximum incomes as published by HUD for projects giving the maximum Income Limits per unit for beneficiary (30%, 40%, 50%, 60% and 80% of median) units.

*Inspection:* A scheduled visit made by an Inspector to the households units that received IHCDA CDBG OOR grant dollars. All IHCDA-assisted households/units that have received CDBG and CDBG-D must be inspected twice during the award period. The first inspection must occur within four weeks of the completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The second inspection will be conducted upon completion of the construction for the award. The IHCDA Inspector will conduct the physical inspections.

*Leverage:* Ten percent (10%) minimum contribution to the Community Development Block Grant program. Refer to the [CDBG and HOME Program Manual](#) for a list of eligible and ineligible sources of leverage. The leverage requirement is based on a percentage of the award amount less administration and environmental review costs.

*Median Income:* A determination made through statistical methods establishing a middle point for determining Income Limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

*MOU:* A Memorandum of Understanding (MOU) is a [document](#) describing a [bilateral](#) or [multilateral](#) agreement between two or more parties.

*Narrative:* A written description by the applicant that describes the application question and generally supports the need of the project.

*OOR:* Owner-Occupied Rehabilitation

*Project:* The CDBG OOR activity proposed in the application.